

FISCAL NOTE

Bill #: HB015

Title: Information technology general obligation bonds

Primary

Sponsor: Tom Zook

Status: On 2nd reading in the Senate with Senate amendments

Sponsor signature	Date	Dave Lewis, Budget Director	Date
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Fiscal Summary

	<u>FY2000 Difference</u>	<u>FY2001 Difference</u>
Expenditures:		
General Fund	99,864	\$1,349,164
Revenue:	0	0
Net Impact on General Fund Balance:	(\$99,864)	(\$1,349,164)

<u>Yes</u>	<u>No</u>		<u>Yes</u>	<u>No</u>	
	X	Significant Local Gov. Impact		X	Technical Concerns
	X	Included in the Executive Budget	X		Significant Long-Term Impacts

Fiscal Analysis

ASSUMPTIONS:

1. The Montana University System Banner Project bonds would be issued in May 1999 and the first payment of \$99,864 due in FY 2000.
2. The Department of Revenue will undertake Phase II of their project in stages. Therefore, debt service within this biennium will not exceed \$1.25 million associated to bonds issued for the Department of Revenue's Project META . Bonds will be issued on a 10 year term at 4.25% in FY 2000, with the first payment due in FY 2001.

3. The Department of Revenue POINTS Project Phase I was authorized by HB 188 in the 1997 session. This work established the foundation for the Department of Revenue integrated information processing system for all tax types and implements employer wage-based taxes in this environment. The bond proceeds requested in HB 15 of the 1999 session provide funding for the continuation of this development effort. The other major tax types to be integrated with Phase I include Property Tax, Corporation and Natural Resource Taxes, Income Taxes, followed by the many miscellaneous taxes the department administers.

FISCAL IMPACT:

Department of Administration Statutory Appropriation	FY2000 <u>Difference</u>	FY2001 <u>Difference</u>
<u>Expenditures:</u>		
Transfer	99,864	1,349,164
<u>Funding:</u>		
General Fund (01)	99,864	1,349,164
<u>Revenues:</u>	0	0
<u>Net Impact to Fund Balance (Revenue minus Expenditure):</u>		
General Fund (01)	(\$99,864)	(\$1,349,164)

LONG-RANGE IMPACTS:

The term of the bonds is 10 years; therefore, the amount of debt service will be paid until either 2009 or 2010. In addition, the Department of Revenue business case analysis indicates a positive net benefit of \$18 million over the course of the debt service.